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U.S. SENATE
SELECT COMMITTEE ON INDIAN AFFAIRS

CASE HISTORY REPORT

OF THE

WAMBLI ARCHERY COMPANY

EAGLE NEST DISTRICT
WANBLEE, SOUTH DAKOTA

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CASE HISTORY REPORT OF THE WAMBLI ARCHERY CO., EAGLE NEST DISTRICT, WANBLEE, S. DAK.

[This report, with recommendations at the conclusion, was written for the Senate Select Committee on Indian Affairs by Thomas H. Loomis, consultant to the United States Senate Select Committee on Indian Affairs.]

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PREFACE

The manufacturing of archery equipment, particularly arrows, does not require the use of the lower trunk of one's body or eyesight. It is a very labor-intensive segment of the sporting goods industry. The selection of a reservation for arrow making was intentional due to the cultural ties and the fact that the end product would be a finished one. The idea was also brought to the attention of the Veterans' Administration in an effort to employ our returning Vietnam veterans who were seriously injured. Success factors are based on the fact that arrow making is indeed an art form and makes it possible for the maker of the arrow to express himself in the cresting or banding of each arrow. Design and style vary with each dozen, in effect giving the individual the opportunity to express feelings with his own unique design or thumbprint, making the arrow recognizable throughout a given marketing area. It should be further noted that the writer is not teaching the Sioux how to make arrows. Essentially, I am revising their old art form through new manufacturing techniques and scientifically formulated combinations of glue, paint, and base shafting material. The success of a good arrow maker is his ability to have the fletching (plastic vane, or turkey feather) adhere to the shaft in a superior manner to that of the competition. The special glues and paints were brought to the Oglala Sioux Tribe to enhance their past knowledge in the ancient industry.

There is no reason why this company cannot succeed and grow in a proper and orderly manner, yet this report will point out some inadequacies and obstacles which confronted the company in its initial effort to get off the ground. Although the local Bureau of Indian Affairs personnel seemed interested in the idea and concept of the Wambli Archery Co., and pledged funds to the project at a critical time when funds were needed, the basic spade work to obtain those funds from the Bureau was missing. The only thing that kept this company going were friends and associates within the sporting goods industry who shipped this fledgling company an open account, thus keeping materials flowing at a time when no funds were available for payment. Though error and omission were noted, by both the Bureau of Indian Affairs as well as the tribe, it is fair to say that the tribes reaction was one of disbelief, whereas the BIA's lack of initiative evolved into a hostile attitude, threatening the very existence of the compnay.

The following is an approximation of time and events which is placed before this committee in an effort to initiate legislation which will make it possible for entrepreneurial-type people with sound products and techniques to move forth, develop industry and employment, so badly needed, on the reservations. This can only be accomplished by altering current agencies, or eliminating the old and creating new ones, whose goals are to implement new industry and to place people on the business payrolls of this country.

THOMAS H. LOOMIS.

We originally started in April of 1976, with the idea of manufacturing arrows using Vietnam veterans in an effort to bring them back onto the rolls of employed within the country. Our negotiations with the Veterans' Administration were handled by my Washington associate, Mr. David M. Adams, who agreed that it was an excellent opportunity since the manufacturing of arrows does not require the lower trunk of one's body or eyesight. Archery shortages continue throughout the industry, which currently enjoys approximately $80 million in sales. It is one of the fastest growing sports in the country, second only to tennis.

The project got bogged down in redtape with the Veterans' Administration in July. Another associate, Mr. George Pagonis, brought to my attention the possibility of starting a company on an Indian reservation. I agreed it would be a worthwhile project and met in Washington that September with planners from the Oglala Sioux Tribe from the Pine Ridge Reservation in South Dakota. Mr. Carl Janis and Mr. John Hussman of the tribe, along with a Mr. David Varmette of the BIA were in town on another project and the meeting was arranged which started the wheels in motion.

In October, I attended a formal meeting in Washington in Mr. Pagonis' office with Mr. Janis and Mr. Hussman, Mr. Varmette of the BIA, Mr. Bill Sudow, and Mr. Dave Biernbaum, attorneys for the tribe, Mr. Michael Oberlitner from the Indian Industrial Development Office of the Economic Development Administration and Mr. Pagonis. It was at this time that the project was brought to the fore and it was decided that I should fly to Pine Ridge to look at various site locations with the possibility of establishing an industry in an existing building rather than a new one. I feel that it is a waste of funds to build a new building when an existing one may be suitable for start-up. (It should be noted that the funds saved by using an old building are very much needed in the form of working capital, and the availability of working capital, should be one of the primary objectives of this committee.)

It was during this October meeting when various amounts of funds were verbally committed, with the tribe promising $18,000 and the BIA pledging $50,000. Rough figures indicated we would need $85,000–$90,000 to get the project off the ground. At this time the tribe also indicated that they would assist with training funds during startup which I considered to put us over the top, and made the project on paper a viable one.

In November, the Indian Industrial Development Office, Economic Development Administration, arranged for me to fly to South Dakota as a guest of the State of South Dakota. I was shown the State by Mr. Jack Oberlitner, assistant director of tourism and economic development. Accompanying Jack Oberlitner was Mr. Carl Janis from the tribe who showed me various site locations on the reservation. During that time I again met with Mr. Varmette and members of the tribe and was again assured funds were available to get the project underway. At that time the tribe advised their manpower programs would pick up the labor costs through Job Services, a division of the Labor Department of the State of South Dakota and then follow up with an on-the-job training program for up to 24 months financed with Federal funds administered by the tribe. In addition, the State, through Mr. Gary Whiteaker, pledged a startup fund of approximately $8,000 for

the purchase of raw materials to train people, therefore making the company startup feasible, and greatly reduced losses from waste, because of lack of knowledge. Documentation was hammered out between attorneys and by January the project was ready to begin.

In January, I flew out again to inspect the building we had settled on. To my dismay the tribe had not begun to put the building in good repair as promised, that is, new windows, heat, cleanup, water, et cetera. I received assurances on that visit that since all parties were in agreement, and all funds pledged the tribe would move forward and repair the building. It was during this January trip that the $18,000 in pledged tribal funds was deposited in the bank for the opening of the company checking account. The $18,000 was in the form of a loan which I was assured would be converted to a grant at a later date. The State Industrial Division grant of $3,500 was also received in the month of January. The BIA's pledge of $50,000 was still assured to us "as good as in the bank" and they advised that only a limited amount of documentation was needed once we moved out here.

On February 20, machinery was moved to Wanblee and located in the old school which was the selected site. On arrival the building was still in poor repair. Although 70 percent of the windows had been replaced and the electricity was on, there was no heat, or water. While the district advised us they still did not believe that such a positive thing was happening to their remote town of Wanblee, the writer and three workers set about trying to put the building in reasonable repair. Temperatures ranged from 8 below to 25 above during the day, restricting our efforts to locate and place machinery, as well as to obtain heat and water.

The initial $21,500 in the bank was consumed rapidly in the form of partial payment on machinery, moving expenses, purchasing of miscellanous outside equipment, office supplies, and a multitude of other minor expenses which occur in the setup and startup of a new business. A call was made to the BIA for the $50,000 that had been promised. We were assured the funds were there and almost ready for disbursing and that everybody was working on it. We continued forward. We worked through February and March trying to put the building into shape.

In March we started our training program in coats and jackets. Since we had not received funds from the BIA we were unable to go outside for services needed to bring us heat. The work was done by company people using parts and pieces scrounged from other boilers in other locations. The end of the month saw heat. Bets at the BIA school in Wanblee were 10 to 1 that we would never open our doors or sell products. The training program started March 21, with over 200 applicants for the 15 jobs available.

April came and we still had no money from the BIA but we were able to carry on operations since the State had given us approximately $8,000 in training money which we used to purchase raw materials. The people learned so quickly and were so adept at what they were doing, we consumed the $8,000 rapidly. Again an appeal went to the BIA for the funds that had been promised. The situation was critical and to keep people working I appealed to raw material suppliers who shipped us on open account, while the writer, Mr. Jack Oberlitner,

and Mr. Carl Janis went to work on tracking down the BIA to find out where the money was that had been promised 4 months previously. We began in a systematic and orderly manner to nail people to the wall to find out who was not doing his job. I soon learned the startling fact that little had been done by the BIA. They were working on two different loan plans and nobody from BIA seemed to know what was going on. Apparently they were waiting for us to give up. We appealed to Members of Congress in Washington for help and then proceeded to hand carry grant and loan applications from one location to the next, pinning down each person who touched it to give us the facts, what was required, where, and when.

We finally forced the issue at the area level, where we were accused of not involving the BIA in the first place "or this all would have been taken care of." We then produced an article from a newspaper where an employee of the BIA on the local level, took credit for the establishment of the archery company. The battle was over with Mr. Hoffman at the area level. When discussing the problem with Mr. Harder and Mr. Hoffman (the Aberdeen, S. Dak., area personnel from the BIA) we insisted that they get on a phone and call everybody involved, putting their heads together to determine what was needed to make the loan package complete so that the application could be processed. This was done in our presence, and we were advised the only form or requirement missing was a resolution authorizing the company to borrow the money. The needed resolution was completed in 3 days and, by phone, I was assured that we would be receiving a check from New Mexico within 10 days.

In spite of our efforts to keep the company operational and to hold raw material suppliers "off-at-the-pass" for payment, 2 weeks passed before I reacted to the 10-day timetable and I made a call to the local BIA representative. Mr. Francis Irving then advised me additional forms would be needed. It was at that time that I threatened to cut off his vitals. I made calls to the State of Washington and to a number of individuals involved with our project in an attempt to force the issue and pressure was brought to bear on everybody involved in this debacle. Two days later, a call was received that everything had been approved and that a check was forthcoming and "in the mail."

I was again involved in dealing with suppliers concerned with our credit and in keeping people busy. The time again rolled to a week to 10 days. It was now coming up to the end of May. I called the local BIA representative, Mr. Irving, who advised that the check was on his desk and he had been waiting for me to call to notify him as to where to send the check for deposit. After the smoke cleared, I advised him of our bank, the loan officer, and he assured me that the check would be sent out that day. I proceeded to enter a $25,000 balance in the checkbook, and to write checks which we would mail on notice from the banker that the funds were received. Three days later we received word from our banker that he would not accept the check, since there were three forms attached to the check which the bank had to sign. The forms: (1) authorized the BIA to cosign all checks; (2) the bank would subordinate any and all debt existing or future to the BIA until such time as the loan was paid off; (3) all bank statements and canceled checks be sent to the area BIA office prior to being forwarded on to the company.

Simultaneously, a grant of $20,000 was deposited into the American Indian National Bank in Washington, D.C., and the BIA came back with a notice that the formula used to compute the $20,000 grant figure was high and they asked that we refund them $2,000. (A point of interest. No mention was made of the $50,000 originally promised or the trimming of $5,000, done without regard or concern to the original program.) It was judged that since the grant money was in the bank and the check deposited, the $20,000 was untouchable at this time and we hung fast and denied the $2,000 rebate.

The bank in South Dakota sent copies of the forms to us that needed to be signed and we again forwarded them on to various Members of Congress, made phone calls, and brought everybody abreast of this horrible situation. We were also surprised to learn at the time of receipt of the forms from the bank the check for $25,000 was not in that amount, rather a check for $24,695 had been submitted for deposit throwing our records off by $305.

Meanwhile, our available cash had been totally consumed and we were only paying the telephone bill in an effort to keep lines of communications open. Even though the company was again on the brink of folding we convinced suppliers to keep materials coming on a limited basis until such time as "accounting procedures were put in order and funds could be dispersed." Pressure was brought to bear by people in Washington and, in their haste, the BIA eliminated all forms that had been add ons for signatures and further forgot to have the company sign a promissory note for $25,000. They recognized this major oversight 90 days later. The pressure brought to bear by Members of Congress, as well as hound dog tracking, by Mr. Jack Oberlitner, Department of Economic Development, State of South Dakota, and Mr. Carl Janis, tribal planner, Oglala Sioux Tribe, Pine Ridge, S. Dak., demonstrated to the BIA we were not to be denied. We were going to succeed, and in a proper fashion each employee of the BIA involved in the delaying tactic was again nailed to the wall. Had these people not been confronted face to face, rather, continued to have been dealt with over the phone and through the mail, I can assure you that this company would have folded and at this writing, 52 people would not be employed in this growing business.

The Wambli Archery Co. had a grand opening which received national publicity from the Today Show, and headlines in 14 of the major newspapers across the country and in 380 other papers. Calls of encouragement were received from all parts of the country. In an effort to "bury-the-hatchet," and to try to convince the Bureau of Indian Affairs that we recognized their position and wanted to work with them in harmony, we invited them to participate in the grand opening. The Bureau promised a speaker and we decided to assign him the position of lead speaker, and wrapped around him, a real Indian style buffalo feed for all invited.

Invitations were mailed across the country to people who had wished us well and who had backed the project. Invitations were given on a blanket basis to the surrounding towns.

August 23, 3 days before our grand opening on August 26, 1977, we were notified that Mr. Ray Butler, Acting Director of the BIA, would not be able to attend as he had agreed to. This last gasp of damnation was regrettable and to add insult to injury, the gentleman

the Bureau designated to come out and repace Mr. Butler was Mr. Larry Schneider, the same man who squashed an opening request, at the time the company was being formed, for technical assistance money in the amount of $5,000. This money was needed to pay for the gathering of records, establishing accounting systems, appraisals on machinery, and estimates of building costs. In the Indian fashion, Mr. Schneider was welcomed to make his speech about "helping the Indian people," and then we assisted him in getting back to the airport 125 miles away for his return to Washington.

As the news media picked up the event it was obvious the company now had some attraction to the BIA and the week of October 17, I was again contacted by Mr. Schneider and asked if there was anything the BIA could do to further assist this company. Mr. Schneider's offer of help came also because of a letter I wrote to Secretary Cecil Andrus advising him of the shabby treatment by the BIA. I reacted to his offer of assistance, by advising a need for technical assistance funds in the amount of $15,000 to get accounting help for the company. He immediately started the "yo-yo" routine and eventually passed me off to area people, rather than taking charge and helping. We are in great need of technical assistance as no accounting people reside on the reservation and must be imported, from Rapid City at considerable cost. Will the same process take place as before? This time for $15,000. However, on the bright side, Mr. Schneider did advise "no problem" in a BIA loan guarantee of 90 percent to 95 percent on the $350,000 we are seeking to fund the company through its first year of operation, though he doesn't know where we can obtain the funds to guarantee.

On a recent trip Mr. Schneider and Mr. Harder stopped by and offered sales assistance. I told them we didn't need any help as we were completely sold out, but we did need accounting help. My comments were ignored and 2 weeks later I received a letter advising me of people to contact to obtain sales signed by a gentleman not known to the company. My requests for accounting assistance were "yo-yoed" and at an unrelated meeting in the BIA offices in Washington the last week of November 1977, the BIA people made a statement our company had received sales assistance from BIA and they (BIA) have been very helpful. In a second breath BIA made inaccurate statements regarding our financial position and stated we were going out of business and the writer was responsible for the collapse of the company. Further, BIA people bet other people at the meeting that the company wasn't going to make it, sides were taken, and drinks were the payoff to the winners.

CONCLUSION

The case of the Wambli Archery Co. is one of success through determination and a refusal to be denied. This is one case in approximately 500 and the failure rate on reservations runs approximately 90 percent. My assessment of Indian labor as opposed to non-Indian labor is one of equality. The individuals within this new-found archery company are proud of their product and their place within the community. Three men employed by the company were considered to be big boozers, and I was advised that they were drunkards.

Because they qualified in the tests given, they received employment and to date, two are in foreman capacities and the third is a leading force within the company. In my travels and in my communications and contacts with people I would have to confess that the martini set in Washington makes the "big boozers" of this company look like pussycats. I can easily admit a few nose-dives in my day and keeping that in mind, refused to believe, when entering into this project, that the majority of the Indians I would encounter would be alcoholics. There is a definite problem with alcoholism on reservations and I attribute this directly to idle time and lack of gainful employment with both men and women. Alcoholism is a problem but it is relatable to idle and nonproductive time.

It is my assessment that an individual with a better idea and the capabilities of converting the idea to production and employment cannot possibly stand up against the "buckpassing" within the Bureau of Indian Affairs. It is further apparent to this writer that the assurance that the BIA is "helping the Indian people," is total garbage. There is a definite desire to keep the Indian poor and down in an effort to justify the existence of the BIA. In some cases there is a need for the BIA in the areas of law enforcement and/or the operations of schools. It is my opinion that the BIA should have no part of business development on reservations. This assessment is regrettable because at this writing the BIA is the only agency structured to do the job.

If the BIA was responsive to the needs of the American Indian, it is indeed the vehicle to get the job done. Regrettably, few people at BIA take on responsibility and the old "refer game" or "yo-yo" tactic is standard procedure. Nobody says "I'll do it." Nobody in the BIA takes on the problem and follows it through to a satisfactory conclusion. Nobody will risk taking the chance. Yet everybody takes the credit. The BIA is built on back sliding, back stabbing, buck passing, denials, lies, and an attitude that is anything but positive for the people it is to serve.

On the positive side, in the case of Wambli Archery Co., was the help and positive attitude we received during the development of this project from other agencies and groups.

The State of South Dakota has been in constant contact with the company during its formation and startup. In addition to the help in paving the way for company establishment, they have backed up their commitments of funds, when promised, and their help to solve little problems as well as big ones goes on today and will long be remembered.

The campaign for human development, a part of the U.S. Catholic Conference, has provided the company with a $100,000 grant. This much needed help will provide sufficient equity to qualify for a loan from EDA which is the financial key to the project.

The Indian Industrial Development Office of the Economic Development Administration was involved with the company from day one and has followed the project on a weekly basis since startup. They were instrumental in the structuring of the company as well as assisting in obtaining funds. Their help in locating potential customers and arranging meetings with customers was invaluable in our efforts to obtain sales. At the time of this writing EDA is evaluating a $350,000 loan request, picking up where BIA left off. The personal efforts by EDA people will not be forgotten.

The above groups, agencies, and people provided a great deal of support in bringing the project to its realization. The resources for implementing independent projects is not in their hands. The authority rests, as it probably should, with the BIA.

Wambli Archery Co. is a reality in spite of the BIA. It was too good a project to turn down, and because the determination of the company, its officers, employees, and supporters was so strong, it prevailed over the negative BIA attitude.

It will be no easy task to root out the bad and ring in the good within the Bureau of Indian Affairs but after meeting Mr. Forrest Gerard, Assistant Secretary for Indian Affairs, I am hopeful the process will begin with the new Task Force Committee. The Rosselers, Lynns, Varmettes, Schneiders, Irvings, Harders, Hoffmans, and hund eds of others must go. In their places we must find people who will take charge, assume responsibility, and stand up and be counted, not afraid of a project that fails, knowing they are doing their best because that is what is needed, for the American Indian to succeed. Remember, the Bureau of Indian Affairs was established to give the Indian a leg up, not a handout.

The following suggestions are strongly recommended to this committee:

1. A full review of the BIA by an outside independent group with full authority to restructure the agency as needed.
2. If found to be ineffective, give the business development responsibility to a new or existing agency with proper funding and people committed to achieving the desired goals.
3. If it is decided a new agency is required to properly service the business development needs of reservations, the elimination of existing or overlapping divisions within BIA and other agencies, giving full authority to the new agency for promotion, financing, technical assistance and equity grants. A complete assistance package administered centrally to avoid buck-passing and long delays.
4. Adopting a "Uniform Loan Request" package with a simplified instruction sheet and all forms contained within, for approval or rejection of the applicant, within 30 days.
5. This packet (Uniform Loan Request), would be filled out by the applicant and a tribal business development officer, and once passed by tribal resolution, submitted to an area business development board (made up of businessmen, bankers, tribal members, accountants, et cetera) for approval or rejection. If rejected, the reason why—if approved, final review by the Business Development Agency (BIA or new agency) with approval or rejection within 2 weeks, with the Business Development Agency in a position to issue funds on approval of the project.
6. A 50/50 grant loan package should be the basis with a ceiling of startup requirements not to exceed $500,000.
7. Simultaneously, selection by the business development board of an accounting firm outside company jurisdiction, to assist in strengthening the project, as well as for ongoing accounting input.

There is much, much more, but the basics are in the above and will most assuredly result in unemployment rates falling from 50–70 percent, into the areas of 10–12 percent. Parent pride will develop in

children and purpose in life will return. Alcoholism percentages will tumble, and area consumer goods spending will soar as our first Americans gain a foothold in a country that has passed them by.

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